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17 November 1951

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MEMORANDUM FOR: [REDACTED]

SUBJECT: Administration Section for Annual Report

Attached is the section on this subject that we offered to go over. We have annotated this profusely and profanely. Aside from these annotations we call your attention to the following suggestions

1. That there be a free but discriminating use of captions to assist the reader as well as perhaps a better definition in opening sentence of each paragraph of the subject being addressed. This is in addition to the proposed marginal annotations we understand will be in the finished report.
2. In general this report is too long, too discursive and inconclusive. With regard to organization, I suggest you separate overall administration of the Agency from the administrative functions performed in DD/A.
3. Special attention is called to the need to decide what is to be included as conclusions, if any. Our view is that it should not be a summary; it should not be recommendations; it could be an article of the major jobs which in each field face the Director.
4. There should be evidence in this paper of using BBC 50 and the Dulles Report as a reference or bench mark. Are all its administrative points covered?
5. While in the report there is much to be listed in the way of achievement since October 1950 and while there probably was much in the pre-October regime which was not good, we should avoid implying, as I think there is a tendency in this section to do, that little good was accomplished in the past administration.
6. I agree with your thought for a summary at the beginning of each section or chapter. The attachment is meant to be illustrative not the finished article.
7. Also attached is a redraft of the second and third paragraphs on page 1 which I believe will more accurately reflect the existing theory regarding the three deputy directors.

JAMES Q. REED  
Assistant Director

Intelligence Coordination

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In carrying out this task the Director depends upon a Deputy Director of Central Intelligence, a Deputy Director for Plans and a Deputy Director for Administration. The Deputy Director of Central Intelligence, in addition to general supervision of the whole Agency in behalf of the Director and as his principal assistant maintains direct supervision over those intelligence activities primarily centered at headquarters. The Deputy Director for Plans is responsible for operations functioning primarily in the field both in the U. S. and overseas. The Deputy Director for Administration is in charge of all administrative support for the Agency.

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Since October 1950 there has been a greater centralization of administration between overt and covert matters. Today instead of being directly in the line of command administration is in a position of staff support to the intelligence and operations elements. Realignment of offices under Administration has produced an independent audit machinery responsible directly to the Deputy Director, Administration, elimination of much duplication involving breeches in security due to dual (overt -covert) personnel recruitment, etc. These changes, together with the addition of high caliber new people in key jobs, has enabled the agency more adequately to meet the strain of very rapid expansion of personnel and missions. While the Agency's security has been of a very high order there remain weaknesses arising from lack of adequate space, spotty indoctrination due to heavy turnover of personnel, and the security influence of the covert offices on the handling of overt matters.